

**HOWARD COUNTY
DEPARTMENT OF CITIZEN SERVICES
REVIEW OF
COMMUNITY SERVICE PARTNERSHIPS
APRIL 2002**

April 2002

The County Council and County Executive
of Howard County, Maryland

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, we
have conducted a review of selected activities of the

DEPARTMENT OF CITIZEN SERVICES
REVIEW OF COMMUNITY SERVICE PARTNERSHIPS

and our report is submitted herewith. The scope of our examination related specifically to a review
of the community service partnerships grant process, including the awarding of grants and the
subsequent monitoring and evaluating of compliance with grant agreements. The body of our report
presents our findings and recommendations.

The contents of this report have been reviewed with the Chief Administrative Officer and the
Director of the Department of Citizen Services. We wish to express our gratitude to the Department
of Citizen Services for the cooperation and assistance extended to us during the course of this
engagement.

Ronald S. Weinstein, C.P.A.
County Auditor

Lisa L. Geerman, C.P.A.
Auditor-in-Charge

INTRODUCTION AND SCOPE

The Department of Citizen Services administers the community service partnerships program. This program was formerly known as the grant-in-aid program. The program provides funds to nonprofit agencies for specific services that are not provided by Howard County Government. In the FY 2001 budget, \$2,529,730 in grants to 23 agencies were approved. See Attachment 1 for a breakdown of the grants and a comparison with the prior year. Grants funded in FY 2000 totaled \$2,404,700.

Our audit was limited to a review of the community service partnerships grant process for fiscal years 2000 and 2001. The process of initially awarding grants and subsequently monitoring and evaluating compliance with grant agreements by the Department of Citizen Services was reviewed.

Grant applications are received from agencies in February. The Grants Review Committee, composed of private citizens and public officials, reviews the applications, formulates questions based on its analysis of the applications, interviews agency representatives and issues a report with its final recommendation to the County Executive in April. The County Executive includes funding in the County budget which is presented to the County Council and, after hearings and discussions, ultimately approved in May. Agencies are notified in early June of their approved grant amount. An agreement is drafted between the agency and the County specifying the terms under which the grant is awarded. The agreement contains payment terms, reporting requirements, and work effort required. Due dates for quarterly reports and annual audits are specified in the contract. Audits are required only for those agencies receiving grants of \$50,000 or more per year from the County.

The scope of our examination included a review of the status of the six recommendations made in our October 1997 report and a review of current operations to determine if any changes had been made since our last review. We reviewed compliance by the grantees with their grant agreements and examined the reports submitted by a sample of grantees, including those that received County grants of less than \$50,000 and were, therefore, not required to submit annual financial audits, and those that received County grants of \$50,000 or more, to determine if they met the conditions of the grant agreements.

The following pages present the details of our examination.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Follow-up of October 1997 Recommendations

We performed a review of the grant-in-aid process and issued a report in October 1997. The contents of that report included six recommendations for those areas that we felt needed improvement. The scope of this follow-up was limited to a review of the implementation status of the recommendations made in the October 1997 audit and a review of changes made to policies and procedures since our last audit. Our October 1997 report indicated several areas in need of improvement.

Four of the original recommendations have been fully implemented. The implemented recommendations relate to review of the grant agreements and continued review of the quarterly reports by the Department of Citizen Services to determine compliance with both financial and level of effort commitments presented in the grant agreements, and periodic visits to grantees by qualified County personnel in order to verify that specific work effort requirements are being met.

We found that two of the six recommendations made in our October 1997 report have not been implemented. The recommendations not implemented relate to timely submission of required reports. The following addresses those recommendations not yet fully implemented.

Recommendation #1 (1997):

All documents required under the terms of the grant agreement be submitted by the dates specified. If they are not received, immediate follow-up, in writing, should be implemented to receive them.

At the time of our audit the Administration's Response was as follows:

Department personnel have always contacted agencies immediately when required documents were not received on time. Agencies were contacted by telephone. For FY 1998, each telephone contact will be documented in the grantee's file with a letter sent if documents are not received on the specified dates.

Current Status:

We reviewed records kept by the Department of Citizen Services on the dates required reports were received from the agencies for FY 2000 and FY 2001. The required reports include annual budgets, quarterly reports and annual financial audits. These reports were consistently received late from many agencies with no documented repercussions to the agencies. The quarterly reports which were received late ranged from a couple weeks late to a couple months late. One quarterly report was

never received. Many of the annual financial audits were received three to six months late. Some were never received. Budgets were either received on time or shortly thereafter, or not at all. If a report is not received by the due date, the Grants Coordinator requests the report by telephone. Written requests are seldom prepared. The Grants Coordinator also may withhold payment of an invoice until the report is received.

We therefore continue to recommend that:

1. *All documents required under the terms of the grant agreement be submitted by the dates specified. If they are not received, immediate follow-up, in writing, should be implemented.*

Administration's Response:

Beginning in FY 02, each file contains a communication log. It includes: date, contact person, and issue discussed. E-mail communication is generally used for initial contact to clarify issues on the quarterly reports or to request quarterly reports and other required documentation. Some agencies do not have Internet access. Telephone calls are made to those organizations. In most cases this is adequate. Letters will be forwarded to agencies not responding promptly. Future payments will be withheld pending compliance with the terms of the grant agreement.

During the first two quarters of '02, 75 percent of the programmatic and fiscal reports were received early or within several days of the November 1 and February 1 deadlines. The remaining reports were generally received within two weeks of the due date. Every effort is made to ensure that the reports are received on time and, more importantly reviewed.

Recommendation #2 (1997):

The grant agreements include a requirement that all agencies which receive an audit, whether or not they receive \$50,000 or more in County funds, submit a copy of said audit to the Department of Citizen Services and the County Auditor. For agencies with June 30 year ends, the due date should be October 1. For agencies with year ends other than June 30, the due date should be adjusted accordingly. The Department of Citizen Services should closely monitor receipt of these audits and notify agencies who have not submitted timely audits.

At the time of our audit the Administration's Response was as follows:

Currently, agencies who have not submitted audits are notified in writing that the audit has not been submitted. There are occasions, due to circumstances within the agency, where additional time for audit submission is given. In most cases, the reasons are documented. For FY 1998, the Department will ensure that all late submissions have written documentation from the grant recipient.

Current Status:

The majority of the agencies required to submit audit reports to the County Auditor did not do so by the October 1 due date. In fact, most agencies never submitted audit reports to the County Auditor. Most agencies have June 30 year ends. As of November 2001, over one year later, two agencies, Congregations Concerned for the Homeless and Legal Aid Bureau, have not submitted audit reports for their years that ended December 31, 1999. The due date for audit report submission specified in their grant agreements is October 1 even though their year end is not June 30. The requirement to submit audit reports to the County Auditor has been incorporated into the grant agreements for agencies receiving \$50,000 or more in County funds. All agencies that have audits performed should submit reports to the Department of Citizen Services and the County Auditor.

We therefore continue to recommend that:

2. ***The grant agreements include a requirement that all agencies which receive \$50,000 or more in County funds submit a copy of said audit to the Department of Citizen Services and the County Auditor. For agencies with June 30 year ends, the due date should be March 31. For agencies with year ends other than June 30, the due date should be adjusted accordingly. The Department of Citizen Services should closely monitor receipt of these audits and notify agencies who have not submitted timely audits in writing.***

Administration's Response:

Most of the Community Service Partnership funded agencies operate on a July 1 - June 30 fiscal year. The Federal Office of Management and Budget Circular No. A-133 allows nine months after the end of the audit period for submission of the annual audit. Therefore, the date for audit submission will be adjusted according to the respective agency's operating year. The Grants Coordinator will forward copies of all audits to the County Auditor's office for review and comment. At the time of forwarding the signed grant agreement, agency directors will be reminded of the audit requirements. If audits are not received on time, communication will be made by telephone, e-mail, or letter and the file will be documented accordingly.

Current Operations

Most agencies that received grants in FY 2000 were also funded in FY 2001. Four new grants were awarded in FY 2001. Two of those grants were to existing grant recipients for new efforts. An award of \$12,000 was made to ARC for its Supported Retirement program. A \$45,500 award was made to Grassroots for its Motel program. A \$1,400 grant was awarded to Metropolitan

Washington Ear. A \$3,300 grant was made to Teen Community Forum. The remaining grantees have been funded by the County for many years.

We reviewed a sample of the grant agreements and quarterly reports for FY 2000. Our sample included two agencies that each received less than \$50,000 in County funds and three agencies that each received \$50,000 or more in County funds. We compared the work effort requirements specified in the agreements with those submitted in the quarterly reports. The two agencies which received less than \$50,000 in County grants, and were, therefore, not required to submit audited financial statements did submit audited financial statements. The agencies examined and the County grants received by them for FY 2000 were:

Children of Separation & Divorce Center	\$21,950
Children of Separation & Divorce Center - SPARKLE Program	8,000
Congregations Concerned for the Homeless	55,000
Community Action Council	295,260
Legal Aid Bureau	50,000
The STTAR Center	163,600

The Children of Separation and Divorce Center provides help to children and adults to preserve a sense of family, foster healthy relationships, and adjust constructively to change, especially during times of separation, divorce and other family transitions. The center helps County residents cope with traumatic changes as well as teaches parents and children coping skills that can be used in all aspects of life. We reviewed the grant agreement and the quarterly reports. There were several work effort goals which were not achieved by a significant amount during the year. No explanation of the deviations was included in the quarterly report and no documentation was included in the file. Goals were not met by a large margin for activities including group clinical services, multiple family and individual therapy sessions and therapy impact assessments. For example, the grant agreement states that the grantee will provide 4,500 individual therapy sessions to 1,000 clients. The fourth quarter report shows an achievement of 2,733 individual therapy sessions to 776 clients for the year. This achievement is significantly below the goal. Even though the quarterly report requires an explanation of any deviation in actual achievement from the work effort goals, no explanation was given.

The Children of Separation and Divorce Center's SPARKLE Program is a community-based support program for single or remarried parents whose children are at-risk for delinquent behavior.

The goals of SPARKLE are to decrease violence and delinquent behavior among youth, promote healthy family functioning and facilitate ongoing community support. We reviewed the grant agreement and the quarterly reports. Many of the goals of the SPARKLE program were also not met. For example, the grant agreement states that the grantee will conduct ten parent follow-up group sessions and ten youth follow-up group sessions. The fourth quarter report shows an achievement of five parent group sessions and five youth group sessions. Also, the goal of making 400 contacts in the areas of individual, family case management and counseling was not met. A total of 295 contacts were made. No explanation was included in the report or the file for the deviations from the goals.

The Community Action Council provides programs and services to low-income residents of Howard County in order to alleviate the effects of poverty; to promote self-sufficiency as a means of interrupting the cycle of poverty; and to stimulate increased awareness of, and responsiveness to, the needs of the low-income population on the part of the larger community. We reviewed the grant agreement and the quarterly reports. The grant agreement states that the Community Action Council will recruit 300 participants for the Breast and Cervical Cancer Prevention Program. The final report shows an achievement of 161 participants. The agreement also calls for the administration of the Rental Assistance Program to 20 households, but the final report shows an achievement of four households. Explanations were provided in the fourth quarter report for these deviations in achievement. The agreement also requires the distribution of 100,000 pounds of food through the Food Bank to member agencies and individuals and households. The final report shows a distribution of 76,753 pounds of food. This deviation of 23,247 pounds of food was not explained. In addition, many other smaller deviations were not explained.

Congregations Concerned for the Homeless (formerly known as Churches Concerned for the Homeless) provides transitional housing and life skills training to homeless people in the County who have incomes of less than 30% of the County's median income, and assists them in becoming self-sufficient. We reviewed the grant agreement and the available quarterly reports. The fourth quarter programmatic report was never submitted. Therefore, we were unable to compare that report to the work effort goals. However, the third quarter report indicated that most of the goals were met.

The Legal Aid Bureau provides civil legal services to low-income Howard County residents who have problems that affect their basic survival, such as family dysfunction, denial of benefits for

medical care, income maintenance or food stamps, and the threat of eviction. We reviewed the grant agreement and the quarterly reports. All goals were met.

The STTAR Center provides assistance to victims of sexual crimes, sexual exploitation, and child abuse in Howard County by providing professional and compassionate crisis intervention, advocacy services, psychotherapy, and education to promote prevention and community awareness. We reviewed the grant agreement and the quarterly reports. The grant agreement states that the STTAR Center will provide public education to 8,000 individuals and provide 230 instances of services working with the Criminal Justice System. The achievements were 6,304 individuals and 132 instances. These deviations were explained in the report. Other smaller deviations were not explained.

The Grants Coordinator makes site visits to the agencies to observe their operations and discuss the reports. She reviews records at some of the agencies' in order to compare the records to what was reported.

For grantee organizations which are consistently late with their reports and whose reports are consistently incorrect or incomplete, we recommend that:

3. ***The Department of Citizen Services and the Community Service Partnership Committee establish a set of sanctions to be applied to those grant agencies that consistently file late reports, file incomplete reports, or do not file reports. In addition, for those grant agencies that do not meet the goals established in the original grant agreement, consideration should be given to redirecting the grant funding or reducing the future year's grant based on actual activity.***

Administration's Response:

The Grant Review Committee redirects and reduces funds when necessary. If an agency is chronically late in filing its reports or not providing a response to inquiries, payments have been withheld in the past and will continue to be withheld in the future. A decision to withhold funds must be made on a case by case basis, taking into consideration factors affecting the agency's performance.

Auditor's Comment:

A written policy should be prepared outlining the consequences to agencies submitting late or incomplete reports. The policy would ensure that all grant recipients are treated equally.

Additional Observations

A log is maintained by the receptionist. For each grantee, spaces are included in which to record the dates reports are received. We reviewed this log for FY 2000 and FY 2001. We found numerous instances where the data recorded was inaccurate or incomplete. Often, instead of a date a checkmark was made to record that a report was received. Some prior year grantees which no longer receive grants from the County were still listed on the log. In order to keep a more accurate record of timely submissions of required reports, we recommend that:

4. ***The log be maintained by the Grants Coordinator or another responsible individual. Reports which are received should be given to this person to record the date received on the log. Only the names of current grant recipients should be included on the log.***

Administration's Response:

The Grants Coordinator will keep the receipt log and will ensure that the data recorded will be complete. The log contains the names of current grant recipients.

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